

## WHITE PAPER

### Members of the Military Services differ from Civilian First Responders

Over the years Legislators, and the citizenry at large, tend to equate the service of military members/retirees to service by civilian first responders. Some legislators contend that granting military retirees exemption from state income taxes would “open the door” for first responders to demand the same level of treatment for the same service.

Law enforcement officials, firefighters, EMS and other first responders are professionals who make significant sacrifices doing work that routinely places them at risk. However, there are a number of differences between the commitment and sacrifices expected of civilian first responders and members of the armed services.

#### Military members:

- Take an oath to protect and defend the Constitution of the United States. In doing so, they commit exposure to all sorts of conditions and risks.
- Can be expected to endure extended deployments away from home and family, often to austere, dangerous and environmentally challenging environments (exposure to burn pits, dust, poor air quality, water quality). Our own Vermont National Guard deployments to Central Command, Africa Command and European Command exemplify this fact.
- (serving on Active Duty) are expected to relocate, with their family members when authorized, or endure “unaccompanied” tours of duty, leaving families and loved ones behind.
- Are placed at risk for serious injury or death based on national defense policy decisions by Congress and the President.
- During deployments for periods of six months to a year or longer, can expect to experience extreme working conditions to include extended workdays and seven days a week.
- Are expected to adhere to employment terms and conditions dictated by Congress and Department of Defense (DoD) policy/regulations.
- Compensation/benefits which are prescribed by Congress – the military does not have a union to negotiate more favorable pay.
- Are held to a higher level of accountability, conduct and integrity -- the general public expects military members to set the example.
- Incur a service commitment and cannot just say “I quit” and seek employment elsewhere.
- (National Guard and reserve) serve at least one weekend a month and two weeks a year -- in addition to their civilian employment or student course schedules. All are subject to additional training (Professional Military Education) throughout their careers as a condition of continued service -- over and above that prescribed by their routine training.

- Military service, whether Active Duty National Guard or Reserve, is rarely convenient. Knowing in advance the challenges and risks that come with service, military members still choose to serve -- their communities, state and nation.

By comparison, First Responders have a certain level of control over their employment conditions, as most are supported by unions that negotiate their work hours, compensation, working conditions, etc. They are not required to deploy around the world in defense of U.S. interests, peacekeeping and stability operations based on National Defense Policy decisions.

This discussion would be incomplete without the consideration of finances. Annually Vermont's approximately 42,000 military residents bring into the state significant levels of DoD and VA compensation through military retiree pay and survivor benefit programs, compensation and pension, vocational rehabilitation and education benefit payments. They also bring a proven work ethic, commitment, including federal health care coverage. During FY20, for example, Vermont's military residents brought into the state \$257 million -- \$85 million of which was derived from military retiree pay. A military member entering service at 18-22 years old may retire after 20 years, would be 38-42 years old and still have two to three decades of tax-paying civilian employment ahead. With the above as background, it is surprising that there isn't greater interest in growing Vermont's military retiree population!

Vermont's military retiree population of 3,923 has remained static for the past five years. This seems ironic since, during this timeframe, 475 Vermont National Guard members retired -- apparently the vast majority moving out of state. Active duty military retirees, including some native Vermonters, continue to voice their reluctance to relocate to Vermont due to its high cost of living and high taxes, including taxes on their military retirement pensions. Forty eight of fifty states either exempt military retired pay, have some level of relief or do not have a state income tax -- only California and Vermont remain outliers!

While Vermont can not resolve all barriers it faces to attract military retirees and their families, the Green Mountain State certainly can do better! One important first step would be to introduce and pass income tax relief. H-597, an act relating to exempting military retirement and military survivor benefit income introduced by Reps. Bill Canfield of Fair Haven, Birong of Vergennes, Hango of Berkshire and Martel of Waterford, is one such promising legislative proposal! (**attached**).